

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 16919
[Redacted],)	
)	DECISION
Petitioners.)	
_____)	

On September 10, 2002, the Idaho State Tax Commission received a refund claim from [Redacted] (taxpayers). They requested a refund of Idaho use tax paid when they registered their pickup [Redacted] on January 6, 1999. The amount of tax paid was \$890.

The Revenue Operations Division of the Idaho State Tax Commission (Division) reviewed the taxpayers' refund claim. The Division denied the refund and issued a Notice of Deficiency Determination Refund Denial on September 13, 2002.

Taxpayers filed a protest and requested a redetermination dated September 23, 2002, and received by the Tax Commission on October 1, 2002. The Division acknowledged the protest in a letter dated October 8, 2002. The Tax Commission and Mrs. [Redacted] held an informal hearing by teleconference on November 20, 2002.

For the reasons set forth below, the Commission finds that no refund is due.

FACTS

On December 14, 1998, the taxpayers purchased a 1999 Nissan Pickup in the state of [Redacted]. The taxpayers intended to move to Idaho at the time they purchased the vehicle and did not apply for registration and title in [Redacted]. The taxpayers moved to [Redacted] Idaho and registered the vehicle for the first time on January 6, 1999.

The taxpayers provided a copy of the purchase invoice upon registration in Idaho. Since the invoice did not show that [Redacted] tax was paid to the seller, the county assessor collected the

Idaho tax as required by Idaho Code § 63-3623(l) which states: “Upon the transfer of ownership of a motor vehicle subject to sales or use tax, a certificate of title will be issued to the new owner only upon presentation of evidence of payment of sales or use tax on the transaction.”

After living in Idaho for approximately four months, the taxpayers decided to move back to [Redacted], where they still reside.

On August 31, 2002, the taxpayers applied for a refund of the \$890 Idaho use tax paid when they registered their pickup. The reason for the refund request was that the taxpayers believed that they had paid sales tax in [Redacted] and use tax in Idaho on the same purchase. The Tax Commission denied the refund request because it was made more than three years after the tax had been paid and was thus barred by the statute of limitations.

LAW AND ANALYSIS

As stated above, Idaho Code § 63-3623(l) requires that the owner of a motor vehicle must provide proof that sales or use tax has been paid on the purchase of the vehicle before the Department of Motor Vehicles will issue a title; however, Idaho Code § 63-3621(j) provides a credit against the Idaho tax due for tax legally paid to another state of the United States. Therefore, had the taxpayers actually incurred and paid a sales tax liability in [Redacted] credit would have been allowed against the tax due in Idaho.

A review of the [Redacted] statutes, however, shows that sales of motor vehicles in [Redacted] are exempt from sales tax by 68 [Redacted]St. Ann. § 1355(2). This statute states that sales of motor vehicles on which the [Redacted] motor vehicles excise tax will be paid are exempt from sales tax. The [Redacted] Motor Vehicles Excise Tax is paid at the time of registration in [Redacted] and is not collected by motor vehicle dealers. Since the taxpayers did not register the

vehicle first in Oklahoma, they did not pay this tax. For this reason, even if the refund claim were not barred by the statute of limitations, there would be no grounds to support it.

The statute of limitations, however, does bar the refund claim. Idaho Code § 63-3626 states, in relevant part:

63-3626. Refunds, Limitations, Interest. (a) Subject to the provisions of subsection (b) of this section, if any amount due under this chapter has been overpaid, the excess amount may be credited on any amount then due to the state tax commission from the person by whom the excess was paid and any balance refunded to that person.

(b)(1) No such credit or refund shall be allowed after three (3) years from the time the payment was made to the state tax commission, unless before the expiration of such period a written claim therefor is filed with the state tax commission by the claimant or the claimant's representative, but only if the claimant has authorized in writing the representative to file a claim...

Since the taxpayers made the refund claim three years and eight months after they paid the tax, no refund can be allowed. The United States Supreme Court has stated:

The very purpose of statutes of limitations in the tax context is to bar the assertion of a refund claim after a certain period of time has passed, without regard to whether the claim would otherwise be meritorious. That a taxpayer does not learn until after the limitations period has run that a tax was paid in error, and that he or she has a ground upon which to claim a refund, does not operate to lift the statutory bar. *U.S. v. Dalm* 494 U.S. 596, 110 S.Ct. 1361 (1990)

CONCLUSION

For the reasons stated above, there is no basis upon which the taxpayers' refund claim can be allowed.

WHEREFORE, the Notice of Deficiency Determination Refund Denial dated September 13, 2002, is hereby APPROVED, AFFIRMED and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that [Redacted] refund claim is DENIED.

An explanation of [Redacted] right to appeal this decision is enclosed.

DATED this _____ day of _____, 2002.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2002, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]
